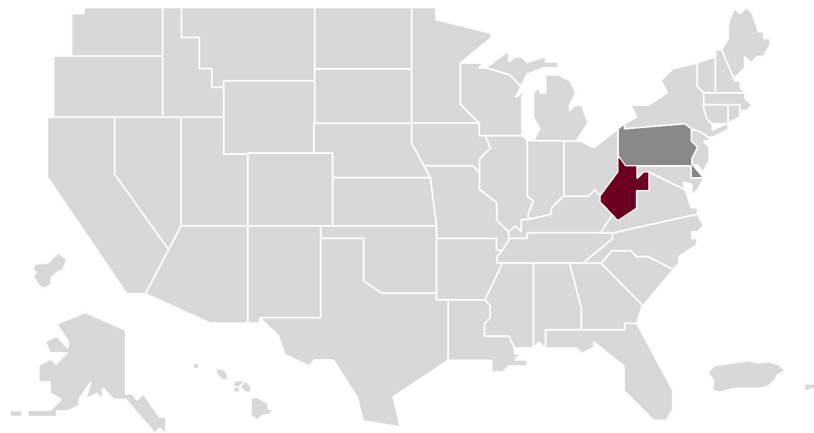


ENHANCING LIVES, IMPACTING COMMUNITIES: THE FEDERAL HOME LOAN BANK SYSTEM



WEST VIRGINIA
STATE REPORT

WEST VIRGINIA STATE REPORT

Table of Contents



Rental, Home Construction and Rehabilitation Activities Economic Basis	2
Home Purchase Activities Economic Basis.....	3
Rental, Home Construction and Rehabilitation Activities Economic Impact	4
Home Purchase Activities Economic Impact.....	5
Story Narrative.....	6
Project Profile: Home Purchase Activity.....	7
Story Narrative.....	8
Project Profile: Rental Activity	9

Since its creation in 1989, the Federal Home Loan Bank System’s Affordable Housing Program (AHP) has been a substantial and valuable source of real estate equity for the financing of affordable housing in the United States. From 1990 through 2016, the 11 Federal Home Loan Banks (FHLBanks) collectively contributed more than \$4.1 billion (\$5.4 billion in inflation-adjusted dollars) in AHP real estate finance equity for rental, home construction and rehabilitation activities. This equity was combined with \$65.7 billion (\$83.9 billion in inflation-adjusted dollars) in leveraged dollars from other private and public sources, enabling \$69.9 billion (\$89.3 billion in inflation-adjusted dollars) in total development funding for more than 601,000 housing units. From 1995 through 2016, the FHLBanks also collectively contributed approximately \$1.0 billion (\$1.2 billion in inflation-adjusted dollars) in AHP equity for down payment assistance and mortgage principal reduction, assisting more than 183,000 home purchase activities. Each FHLBank allocates at least 10 percent of its annual net earnings to fund its AHP. As such, the continued operating and mission success of the FHLBanks has directly enhanced the development and purchase of affordable housing throughout the country and has had a positive impact on local and state economies and on the national economy. The state of West Virginia is in the Pittsburgh district. This report details the economic impact of housing within West Virginia that has been enhanced by AHP funding from 1990 through 2016.*

* Note: some projects within West Virginia may have received AHP funding from a Federal Home Loan Bank other than FHLBank Pittsburgh. For further detail on the economic impact study methodology, please see: Study Methodology and Appendices Report.

WEST VIRGINIA Rental, Home Construction and Rehabilitation Activities

Economic Basis



\$28.43 MILLION

TOTAL AHP SUBSIDY

AHP provides real estate finance equity for both rental and for-sale housing. AHP is more often referred to as a subsidy or grant and is delivered to FHLBank-member financial institutions to assist in the funding for construction, rehabilitation and purchase of affordable housing.

\$34.86 MILLION

TOTAL AHP SUBSIDY INFLATION-ADJUSTED



\$179.30 MILLION

DEVELOPMENT COST

Development Cost refers to the cost of acquiring land or pre-existing housing units, demolition and/or relocation costs and any costs incurred while constructing, rehabilitating or redeveloping housing.

\$222.59 MILLION

DEVELOPMENT COST INFLATION-ADJUSTED

 **222**

PROJECTS

Projects refers to the distinct use of AHP funding for a specific acquisition, construction or rehabilitation of building(s) or housing unit(s).

 **2,859**

TOTAL UNITS

Total Units refers to the total number of single-family and multifamily units constructed using AHP funding, where each individual dwelling unit in a multifamily building is counted separately.

Inflation-Adjusted refers to the measure of return that takes into account the time period's inflation rate. For example, \$100 in 1990 is worth \$192 in 2018. This study reports all economic impacts in inflation-adjusted dollars.

WEST VIRGINIA Home Purchase Activities

Economic Basis



\$1.18 MILLION

TOTAL AHP SUBSIDY

AHP provides real estate finance equity for both rental and for-sale housing. AHP is more often referred to as a subsidy or grant and is delivered to FHLBank-member financial institutions to assist in the funding for construction, rehabilitation and purchase of affordable housing.

\$1.50 MILLION

TOTAL AHP SUBSIDY INFLATION-ADJUSTED



\$12.16 MILLION

FIRST MORTGAGES

First Mortgages refers to the volume and value of first-lien position mortgages financed by lenders in a home purchase activity.

\$14.74 MILLION

FIRST MORTGAGES INFLATION-ADJUSTED

 **244**

TOTAL UNITS

Total Units refers to the total number of single-family and multifamily units constructed using AHP funding, where each individual dwelling unit in a multifamily building is counted separately.

Inflation-Adjusted refers to the measure of return that takes into account the time period's inflation rate. For example, \$100 in 1990 is worth \$192 in 2018. This study reports all economic impacts in inflation-adjusted dollars.

WEST VIRGINIA Rental, Home Construction and Rehabilitation Activities

Economic Impact



\$327.27 MILLION

TOTAL ECONOMIC BENEFITS

Total Economic Benefits measure the economic activities associated with rental, home construction and rehabilitation enhanced by AHP funding.



2,380 JOBS

JOB CREATION

Job Creation includes new full-time, part-time, temporary, permanent, salary-based and fee-based jobs generated by the addition of AHP-enhanced rental, home construction and rehabilitation activities.



\$106.81 MILLION

LABOR INCOME

Labor Income refers to all forms of income that stem from employment, such as salaries and hourly wages and profits made by developers, builders and contractors.

1.47

MULTIPLIER (IMPLAN Factor)

Multiplier is a term used for the economic ripple effect measured by an economic impact model. In this case, the multiplier effect accounts for how each additional job or dollar of output enhanced by AHP funding impacts the home construction and rehabilitation of affordable rental and housing units.

\$11.39 MILLION

TAX REVENUE

Tax Revenue includes the revenue generated by local and state taxes related to rental, home construction and rehabilitation.

All dollars are in inflation-adjusted dollars.

WEST VIRGINIA Home Purchase Activities

Economic Impact



\$23.53 MILLION

TOTAL ECONOMIC BENEFITS

Total Economic Benefits measure the economic activities associated with home purchases, enhanced by AHP funding.



152 JOBS

JOB CREATION

Job Creation includes new full-time, part-time, temporary, permanent, salary-based and fee-based jobs generated by the addition of AHP-enhanced home purchase activities.



\$3.00 MILLION

LABOR INCOME

Labor Income refers to all forms of income that stem from employment, such as salaries and hourly wages and profits made by developers, builders and contractors.

1.25

MULTIPLIER (IMPLAN Factor)

Multiplier is a term used for the economic ripple effect measured by an economic impact model. In this case, the multiplier effect accounts for how each additional job or dollar of output enhanced by AHP funding impacts the home purchases of affordable housing units.

\$856.09 THOUSAND

TAX REVENUE

Tax Revenue includes the revenue generated by local and state taxes related to rental, home construction and rehabilitation.

Almost Heaven Habitat Celebrates Silver Anniversary with AHP



Silver Anniversary Scattered Sites Project

Despite what the song lyric says, West Virginia is almost heaven only for those who have safe, decent and affordable housing. In Pendleton County, Almost Heaven Habitat for Humanity is working to change the plight of homeless individuals in their community by providing volunteer-built homes.

Almost Heaven is a nonprofit, ecumenical Christian housing ministry that seeks to eliminate substandard housing and homelessness. The organization believes that providing decent shelter is a matter of conscience and requires action.

In the year of its 25th anniversary, Almost Heaven applied for and was awarded a \$110,000 AHP grant through Pendleton Community Bank. The grant money for what has been dubbed the “Silver Anniversary Scattered Sites” project was used to build new, energy-efficient homes in Franklin, West Virginia for three very-low-income families. Each family invested “sweat equity” in the construction of their own home and the homes of other families. Volunteer labor and donated supplies helped multiply the impact of the grant. The homes were sold at cost and financed with zero-percent-interest mortgages in what Michelle Connor, former CEO of Almost Heaven Habitat for Humanity, calls “a community building model that works.”

Pendleton Community Bank, which sponsored the project’s AHP application, has partnered with Almost Heaven on several other AHP projects over the years. Bill Loving is Pendleton’s president and CEO and past chair of the Independent Community Bankers of America. He understands how important AHP is to community banks that are working to help local communities grow and thrive.

Loving’s words summarize the impact of FHLBank of Pittsburgh’s role in AHP projects: “The dedication and desire to make our communities better places to live and work is the heartbeat of every community bank across this great nation.” He adds, “I am grateful for the resources provided by FHLBank to help us fulfill that desire. Specifically, we are honored to partner with Almost Heaven to provide homeownership opportunities to West Virginians who need a little help.”

**Franklin
West Virginia**

WEST VIRGINIA

Project Profile: Home Purchase Activity



Deckers Court Phase I

Mon County Habitat for Humanity, Inc. partners with local families earning 35 to 75 percent of the area median income. Deckers Court Phase I was the first of two phases in the Deckers Court portion of a new affordable housing development in Morgantown, West Virginia. It consists of five single-family detached houses, which were built to Energy Star standards.

SOURCES		
AHP Grant	\$	250,000
Homeowner Mortgages	\$	123,881
Interfaith Build Sponsorship	\$	19,862
In-Kind Materials	\$	9,660
In-Kind Professional Services	\$	53,340
Mon County Habitat Equity Fund	\$	35,000
NIP	\$	40,000
Total	\$	531,743

New Life for an Old Dollar General



Old Dollar General Building Project

Over the years, residents of Wayne, West Virginia watched as a beloved landmark in their courthouse square deteriorated into a blighted brownfield site. Now, thanks in part to an AHP grant to the Wayne County Housing Authority and United Bank, a former FHLBank Pittsburgh member, the downtown site has been given a new and sustainable future.

The site was originally the location of a 1920s-era oil and gas company. After some time, it was repurposed as Urlings General Store, a downtown staple for many years. It then became the site of a Dollar General store that eventually deteriorated into a blighted property. The \$250,000 AHP grant helped fund the Old Dollar General Building Project, an initiative that has transformed the brownfield site into a vibrant, mixed-use development.

The project, which has become a catalyst for community revitalization and increased affordable housing development in Wayne, had five core objectives: revitalize downtown Wayne by turning a dilapidated building into a place of housing and commerce; create five affordable, multifamily rental housing units; create an empowerment space to encourage a sense of community for all Wayne County residents and nonprofit organizations; develop a permanent office for the Housing Authority of Wayne County and Coalfield Development Corporation; and maximize public value by working with the development corporation's Green Collar Jobs Initiative (GCJI) as a means of job training for unemployed residents.

The prominent location of the transformed site is as practical as it is symbolic. It is within walking distance of a post office, pharmacy, library, bank, community gym, several churches, the courthouse and other community resources. For low-income residents, the location of the new housing has made Wayne a more appealing and livable community.

The three-story, 10,000-square-foot building has five affordable, mixed-income rental units, one of which is handicapped-accessible, along with three offices. The building also includes a large community empowerment space, a cooperative local artisan business storefront and a basement that is used for storage.

With the help of the AHP grant, the vision of the \$930,000 Old Dollar General Building Project was able to move forward. Throughout construction, every effort was made to complete the project in an environmentally sustainable and energy-efficient manner. GCJI provided training in environmentally sustainable demolition, solar panel installation and weatherization. The collaborative effort is all part of Wayne County's commitment to a new natural capital economy.

Today, the newly revitalized area stands as a proud symbol of Wayne County's past and a bold symbol of its future.

**Wayne
West Virginia**

WEST VIRGINIA

Project Profile: Rehabilitation Activity



Richwood Flood Recovery Home Repairs

In the wake of catastrophic flooding in West Virginia in June 2016, the need for help was immediate and extreme. The National Weather Service cited the flood as a once-in-a-thousand-year event. One of the hardest hit towns was Richwood, where flooding was up to the roofs in low-lying areas near the Cherry River. Richwood has approximately 2,000 residents, and about 250 homes were destroyed or damaged by the flood waters. The Richwood Flood Recovery Home Repairs project used FHLBank AHP funding and support from Mars Bank to assist 40 impoverished homeowners with home repairs in and around Richwood. In addition, nonprofit Hosanna Industries used full-time staff and local volunteers to repair and renovate damaged homes.

SOURCES		
AHP Grant	\$	644,838
Volunteers	\$	199,300
Total	\$	844,138